



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Opening Statement of Senator Chuck Grassley  
Hearing on the Administration's Trade Agenda  
Tuesday, March 9, 2004

This is an important time in U.S. trade policy. Just a few years ago, Congress empowered President Bush through the passage of Trade Promotion Authority to negotiate trade agreements to help strengthen the U.S. economy. To date, Congress has implemented two free trade agreements under TPA procedures. Three more are at our doorstep – the Central America Free Trade Agreement, the U.S.-Australia Free Trade Agreement, and the U.S.-Morocco Free Trade Agreement. Each of these agreements has substantial benefits for the U.S. economy. Negotiations continue to create a Free Trade Area of the Americas and, I hope, to conclude a new round of trade talks in the World Trade Organization in the near future. There are also a number of bilateral negotiations under way that require our continued attention.

In my mind, we are now at somewhat of a crossroad in U.S. trade policy. While we have made some progress in leveling the playing field with our foreign competitors through the passage of the U.S.-Chile and U.S.-Singapore free trade agreements, there clearly remains a lot more for Congress to do. With enough political will Congress could – I repeat could -- implement as many as three free trade agreements this year. Congress is likely to see even more free trade agreements ready for implementation next year. Most important, Congress could be considering a new World Trade Organization agreement in the not-so-distant future. This negotiation is clearly where we get the most bang from our negotiating buck, especially for American agriculture. And of course, next year Congress will face the issue of whether to extend TPA for an additional two years.

Implementing these agreements and extending TPA will require tough choices and political courage. Unfortunately, political courage is not always in endless supply. After all, this is an election year, and it appears that some of our presidential aspirants are determined to make trade and trade agreements our economic whipping boy. While this may be good politics in some areas of the country, it is disastrous economic policy. That does not mean we should discount workers' concerns about trade and their role in the world economy. But at the same time, we should not pander to these fears for short-term political gain. I was surprised to learn last week that some of my colleagues in the other party made a political decision to load up the FSC/ETI JOBS Act with all kinds of political message amendments designed to stoke worker's fears about the economy. I hope they will reconsider this approach when we return to the bill after the recess. The European Union is imposing sanctions, and American manufacturing needs a shot in the arm. America's manufacturing future is too important to be playing political games with this bill.

I said earlier we are at a crossroads. Politicians can play on people's fear, throw up barriers to trade, and seek to isolate America from the global economy. Or we can do what we did in the 1980s – rise to meet the real challenges of the world economy. I know President Bush and his team, including Ambassador Zoellick, will not run from these challenges. My message today is simple. If we are going to sustain the prosperity this country has experienced for the past 50 years, we must remain steadfast in our support of open markets. We simply cannot allow our economic policy to be guided by the politics of fear. Mr. Ambassador, we have a lot of important issues to discuss today. I thank you for being here and look forward to your testimony.

